

HB 630- Rep Knudsen

Breakdown of Montana taxation of one Bakken oil well, using conservative figures of:

- A. 300 barrels per day production
- B. \$70 per barrel NE Montana discounted price

\*these calculations ONLY contemplate the private mineral owner's taxation, not the oil company's state corporate taxes and ancillary state taxes.

I. MT Oil Production Tax: 9%

300 barrels per day production  
x \$70 per barrel  
\$21,000 per day gross wellhead production

\$21,000 per day gross wellhead production  
x 9% MT oil production tax  
**\$1,890 per day MT production tax**

\$1,890 per day MT production tax  
x 365 days  
**\$689,850 per year MT production tax**

II. MT Royalty Severance Tax: 14%

300 barrel per day production  
x 18.75% mineral owner royalty  
56.25 barrel per day mineral owner's royalty share

56.25 barrel per day  
x \$70 per barrel  
\$3,937.50 per day royalty to mineral owner

\$3,937.50 per day royalty to mineral owner  
x 14%  
**\$551.25 per day royalty severance tax**

\$551.25 per day royalty severance tax

x 365 days

**\$201,206.25 per year royalty severance tax**

III. MT Income Tax on Royalty owners: 6.9%

56.25 barrels per day mineral owner's royalty share

x \$70 per barrel

\$3,937.50 per day royalty to mineral owner

\$3,937.50 per day royalty to mineral owner

x 6.9% MT income tax rate

\$271.69 per day MT income tax on royalty

\$271.69 per day MT income tax on royalty

x 365 days

**\$99,166.85 per year MT income tax on royalty**

IV. TOTAL

\$689,850 per year MT production tax

\$201,206.25 per year royalty severance tax

+\$99,166.85 per year MT income tax on royalty

**\$990,223.10 per year MT taxes**